

ORIGINAL

OPEN MEETING AGENDA ITEM



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Arizona PIRG

Education Fund

Arizona Corporation Commission

DOCKETED

APR 08 2022

DOCKETED BY

Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

April 7, 2022

AZ CORP COMMISSION
DOCKET CONTROL

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Dear Chairwoman Marquez Peterson and Commissioners,

RE: Docket Number L-00000B-21-0393-00197

On behalf of the Arizona PIRG Education Fund, I am writing to urge the Commission to deny SRP's massive gas expansion proposal and send SRP to the drawing board.

Since SRP proposed adding 16 gas units at a cost of nearly \$1 billion to ratepayers, the Arizona PIRG Education Fund has urged policy makers to vote no or delay a vote until comprehensive information was provided that enabled an informed decision in the best interest of ratepayers. Unfortunately, SRP has yet to provide the necessary information for you to make an informed decision.

Judge Rodda, in Sample Form of Order 3 (see page 39, lines 21-25), states, "Without the results of an ASRFP, the E3 Study, and the Power Flow and Stability Study, the record is not sufficient for the Commission to determine the economics of the CEP and whether there are alternatives available that would provide the same capacity, responsiveness, and reliability for SRP's customers but would be less costly and would potentially have less adverse impacts on the local residents or the environment and ecology of the state."

Arizona PIRG Education Fund concurs with that statement. **While there are a number of reasons the Commission should vote against SRP's proposal that have been conveyed in the docket and through public testimony, the fact that SRP failed to seek competitive bids in this instance and has yet to provide estimated monthly bill impacts stand out to us.**

RFPs are commonplace in government and in business, particularly for large expenditures. By failing to issue an RFP, SRP failed to request and adequately evaluate other options to meet electricity needs or spend less money — options such as increasing energy efficiency and battery storage or reducing the proposed number of gas units. As a result, unless the Commission sends SRP to the drawing board, SRP ratepayers may well be paying more than they should for years and years to come.

Further, while it is reasonable to assume a nearly \$1 billion expense will impact ratepayers, SRP still hasn't provided information to the Commission or their ratepayers on the estimated monthly bill impacts of their nearly \$1 billion proposal. SRP has only said there will be no rate increases for six years – which, as you know, doesn't mean monthly electric bills aren't going to be higher given other utility costs, such as volatile gas prices.

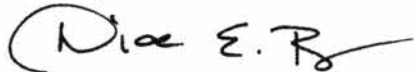
Last month, in my public testimony I stated, "... SRP has taken a full speed ahead approach to add a nearly \$1 billion expenditure for 16 gas units, an approach that is reckless for ratepayers and Randolph residents. In its rush to add 16 gas units, SRP has blown past flashing caution signs, which warn of the price volatility of gas and the likelihood of stranded assets. And by failing to issue an RFP, SRP took a short cut that could well turn into a roadblock for consumers unless the Commission provides a new course."

Unfortunately, SRP has yet to slow down and adequately explain why they think adding 16 more gas units and the significant public health and safety risks gas poses is necessary. SRP has yet to adequately address why they didn't look at options. SRP has yet to provide a response to what its customers can expect to pay each month for the nearly \$1 billion expense. Yet, SRP has been trying to rush the process.

Fortunately, the decision on whether to allow SRP to spend nearly \$1 billion in ratepayer money on 16 gas units is now with the Commission. **Please use your authority to scrutinize SRP as you would the utilities you regulate, send SRP to the drawing board, and protect SRP ratepayers.**

Thank you for your consideration of our comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Diane E. Brown", with a stylized flourish at the end.

Diane E. Brown
Executive Director

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